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Subject: FW: URGENT - NHTSA to Upgrade ES350 Floor Mat Investigation.

Today I spoke to NHTSA about the ES350 investigation. Earlier this week I had contacted them to get details on the survey that was mentioned in the resume. They were too busy earlier, so today they called me back to discuss.

As Chris mentioned, the agency upgraded because of the number of incidents, and the severity of the incidents. So first, we discussed the survey. I asked for a copy, and they said they want to discuss it with me first over the phone, but they cannot promise when we will get a copy. Apparently VRTC sent over 2000 survey letters to all registered owners of the ES350 in the state of Ohio. They received over 600 responses. Of those 600, around 480 indicated that they had the all weather mat. Of those 480, 35 described some sort of issue with the all weather mat. These issues were limited to double stacked or loose single mats, however, they indicated that some of the issues described may be related to hesitation/sluggishness (driveability concerns).

After discussing the survey, they stated to talk about next steps and issuing an IR letter. Peer vehicles were mentioned, and I agreed that a peer analysis would be a good piece of information for an EA. They mentioned a recent crash of a 2007 Camry in California that involved a fatality. They indicated that preliminary reports from the police lead them to believe that more than one floormat was in the driver footwell. They also mention the Prius and a couple similar (non-fatal) incidents as well.

I told them that obtaining additional data on ES350's may not be useful at this time. Since we conducted our mailing and implemented the countermeasures, and we believe they have been effective in reducing occurrences, perhaps waiting to collect ES350 data would be beneficial. From this, they mentioned their need to move quickly. They told me that they are having an internal briefing (most likely with Medford/Smith/DeMeter) about this investigation about what to do. I told them that what they are describing sounds like an upgrade meeting, and they fell silent. Then Jeff Quandt mentioned that they aren't sure that they want to spend a whole year investigating this issue.

They also mentioned that they did not have a set of countermeasured mats. At this point, I promised that we would provide them with new mats and owner notification letters, so that they can show at their briefing all of the efforts Toyota has made to reduce misuse of the floor mats. I told them that I believe we have done a lot to prevent this from happening, and most likely, what we have done already has had a significant impact. My hope is that giving them a fresh supply of this material will have a positive effect at their briefing (if they bring them along, of course).

So I would like to get a couple of sets of mats and owner letters/stickers/envelopes etc (TMS-help please) and drop them off with NHTSA next week. Their briefing is next Thursday. Hopefully when I meet up with them, I can get the survey information. Let me know what you think. If you have any concerns about my proposal, let me know as soon as possible.

If NHTSA doesn't want to spend a year on this, then that means they want to speed up the process and possibly issue a recall request letter right away. Without seeing exactly what the survey results are, I think it is premature of NHTSA. They really don't have enough data to take that next step to request a recall. Plus, given our actions to date, if that's what comes out of the briefing (i.e. issue a recall request letter) I'd be surprised. However, if that is what they are going to decide, then trying to get the physical manifestations of our actions (i.e. the new mats, the letters, warning labels, etc.) into that meeting might just tell them that they already have what they need to close this investigation. I would even venture a guess that some members of NHTSA management (like Chief Counsel) are not aware of our mailing, and perhaps that is why we are at an EA today. Just my thoughts.

Regards,

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FYI - I just received a "heads up" call from NHTSA regarding the agency's intention to upgrade the Preliminary investigation (PE07-016) into the Lexus ES350 All Weather Floor Mats to an Engineering Analysis (EA).

After reviewing Toyota's submission of June 11, as well as its own independent testing and field evaluation of incidents, the agency believes that it should upgrade based on the severity of the incidents (i.e. some high-speed, wide-open-throttle complaints), coupled with its latest count of 40 complaints, 8 crashes and 12 injuries.

Although NHTSA recognizes the efforts we have already made to alert dealers and owners of the potential interference issue (when the mats are incorrectly stacked), NHTSA also believes the design of the floor mat itself (weight, cut, fit) lends itself to causing unintended pedal application even when the mat is not stacked. In further conversation, although the agency can not legally 'prescribe' a fix, they felt that slightly modifying the existing mat may help alleviate the problem.

I expressed our appreciation for the heads up, as well as encouraged future close dialogue to attempt to come to a mutually acceptable solution.

We will forward the resume as soon as it becomes available, and at that time we will also try to find out when this is likely to become public, to gauge timing constraints for Q&A preparation.

Best Regards,
Chris

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